

large part of the population. Austrian housing policy has predominantly been supply-side policy. It is a fact that the present system of housing subsidisation creates some advantages for the middle class, this includes economically successful middle-class migrants. In recent years housing construction subsidies have assumed an important role as a financing instrument in subsidised housing construction in the non-profit housing sector.

The demand and supply conditions on the local housing markets over time are an important determinant of the availability of affordable and decent housing in general and the availability for migrants in particular. Even in European cities with a large communal housing sector, it is often private market decisions that determine the allocation of the housing stock.

4 The effects of segregation and access to affordable housing on integration

4.1 Effects of affordability

It is common to find the housing expenditure-to-income ratio being used as a rule for defining concrete housing needs of migrants in municipal housing policy and for programme purposes; this characterisation is often referred to as the housing affordability problem. The selection of a ratio of housing expenditure-to-income has become a commonly used statement about the scope of housing affordability. But to define everyone spending more than 30% of his income on housing has an affordability problem is too simple because consumption patterns of migrant households are diverse. The formula uses a subjective assertion about what constitutes an affordable housing expenditure as the basis to measure what is affordable for all households. This kind of generalisation is based on an assumption about the cash income of migrants required to pay for the necessities of life. The use of the ratio is not a reliable method for defining the housing needs of migrants. Firstly, it does not account for household size; secondly, it fails to reflect changes in household expenditures; thirdly, it is not adjusted for the substitutions available to the households; fourthly, it only relies on official income.

Of course, affordability is playing a role in housing for migrants. For the public housing sector a maximum income measure is used as a cut-off instrument to exclude higher income households from the subsidised housing sector. This is also relevant for well-to-do migrant households. On the contrary, in co-operative housing a minimum income measure is used as a cut-off point to exclude lower income households from access to the rental units. In the case of minority ethnic households, explanations of housing and segregation patterns that stress the importance of income, the supply of dwellings and the accessibility of dwellings are generally more adequate than explanations that put forward the preferences and choices of individuals and households.

However, it is important to be clear that there is an increasing diversity within minority ethnic groups in terms of experiences, needs and aspirations in the housing sector.

Generally speaking, a broad mix of dwellings at different price levels will be the best guarantee that migrant and vulnerable households will find an affordable housing unit. There are several possible options that municipalities could support to enhance migrants' access to affordable housing. **Regulations of the private tenure housing market, financial subsidies and housing development programs** may directly affect the affordability of appropriate housing for migrants and minorities, and may further improve the quality of the relevant housing stock. Concentrations of deprivation can also be prevented by providing different types of housing at different price levels in "problematic" neighbourhoods. This also provides greater choice for more people to live in areas they wish to live in and therefore promotes diversity, ethnic and social mixing and reduces spatial concentrations of deprivation in certain areas.

4.2 Effects of access

Accessibility and affordability are two interrelated factors. Changes in housing affordability influences the accessibility of certain housing stock. Housing access has varying impacts on many dimensions of minority groups' lives. There is a complex differentiated picture emerging of interrelated patterns of exclusion, marginalisation and disadvantage which would need greater evaluation by local policy makers.

The communal housing sector is an important political instrument for intermediate housing supply, demand and access. Significant differences in access to public housing are evident in different European cities with a large stock of social housing. In some cities migrants did not have access to social housing in the beginning of their stay or with foreign citizenship¹⁰, forcing them to live in the private rented sector or to buy an often derelict dwelling. Many of them simply did not have enough money to afford a decent house. Consequently, migrant households may be more or less forced to rent or buy substandard dwellings and are forced to live in neighbourhoods where accessible housing is available. Access and allocation procedures resulted in concentrations of the migrant population in specific areas or housing market segments. Differences in access can also be observed between cities in the same country.

Access to **owner-occupied housing** is easier for migrants with incomes that are both stable and high. To become a homeowner is more difficult for immigrants, whose incomes are generally lower than those of natives due to their skill levels and labour market de-qualification. Rising house purchase costs and inflation create serious difficulties for households seeking to access home ownership.

Settlement bans and quotas are classical barriers to access. They do nothing more than arbitrarily restrict the housing segment accessible to immigrants, thus limit-

¹⁰ In Vienna for example, foreign citizens had no access to social housing before 2006.

ing the housing supply still further for a group already inadequately accommodated. In addition, prohibiting the access of immigrants to a certain housing stock reduces their choice and does not automatically open other stock to them. This means that immigrants have to concentrate more densely elsewhere and this concentration is clearly imposed on them by others.

Also the extent of housing mobility is determined by accessibility. If ethnic minorities have difficulties in getting access to specific segments of the housing market, they have fewer opportunities to leave deprived neighbourhoods.

What can municipal policy do in the field of access? In particular, access opportunities to local housing markets must be improved by offering **demand-oriented measures**. The main objective of local policy must be to ensure that migrants who have difficulties accessing housing and services are supported by a changed logistical framework, by information and by financial support.

4.3 Effects of segregation

Segregation research proves that segregation is **an ambivalent phenomenon** which always produces negative as well as positive effects. In scientific research as well as in politics there is a traditional controversy about the balance of these effects. In this respect scientific evidence in many instances remains unclear. **This means that the actual state of the art segregation-related research is unable to definitely answer the question about the balance of effects.** The results of residential segregation very much depend on existing local regulations and institutions such as welfare systems, and particularly, the housing market. The effects vary from one urban context to the other and between different migrant groups.

The controversy about segregation is as old as it is unresolved. On the one hand there is the **contact hypothesis**, according to which spatial proximity promotes contact, contributes to eliminating prejudices, fosters tolerance, and thus encourages integration. The **conflict hypothesis** asserts the opposite. From this point of view, proximity between people with different notions about the role of women, diverging standards of cleanliness, tolerance of noise, in short, the contiguity of different life styles gives rise to tension and conflict. Normally people seek to avoid this by translating social distance into spatial distance. According to this argument, segregation serves to avoid conflict. The problem would thus be not too much segregation but too little (see Häussermann & Siebel, 2001).

4.3.1 Negative effects of segregation

Among the arguments advanced against segregation, and thus in favour of a social mix, are **economic considerations**. The concentration of poverty means an out-migration of middle-class households. Socially mixed neighbourhoods are considered more capable of regeneration. Whoever has made a career need not necessarily move

out of such a neighbourhood, because better housing is to be found there, too. But if so-called “better” households abandon a neighbourhood, the landlords' rental income declines, which means that nothing is invested in local properties, and the neighbourhood deteriorates. Socially homogeneous neighbourhoods can therefore generate a vicious circle. Moreover, socially mixed neighbourhoods offer a range of opportunities for informal employment which are absent in deprived areas.

Political arguments are also deployed against segregation. Political competencies are available in socially mixed neighbourhoods that enable a better representation of neighbourhood interests. Furthermore, the presence of foreigners in the day-to-day life of local elites naturally heightens the awareness of these elites to their problems.

Finally, social arguments are put forward against segregation. Socially homogeneous, informal social support networks may be less efficient. The spatial concentration of disadvantaged groups makes it easier for people to withdraw into their own milieu. Spatial concentration of minorities enhances their visibility and thus the majority's sense of being threatened, which exacerbates conflicts. One of the most prominent negative effects of segregation is the formation of secluded communities, so-called “*Parallelgesellschaften*” (Heitmeyer, 1996). In the public discussion these parallel societies are said to be the outcome of voluntary “ghettoisation” and seclusion. The argument is that as long as parallel societies are hermetic, integration will not happen. Integration in this context means having the ability to communicate in and with the host society and to participate in the labour and housing market.

Segregation may also be a breeding ground for fundamentalist and anti-democratic tendencies. There are certain problems that are specific to the Turkish community in Germany and to Islamic minorities all over Europe. One of these problems is **the danger of closed parallel societies**. Thus, the discussion about secluded communities most affects the Muslim communities. For example, after the murder of Theo van Gogh by an Islamic extremist a European-wide debate over immigration dominated the media. In this context, the problem of residential concentrations of Muslim groups was often verbalized in the Netherlands, Great Britain, Germany and many other European countries.

Segregation may (but must not) produce negative individual and societal effects. It inhibits the individual prospects of migrants and their families and it endangers the social cohesion of urban societies. Social cohesion in modern urban societies can only be achieved by providing equal opportunities and legal equality to all within a legal-political framework that respects human rights. Policy initiatives attempting to promote social cohesion will only be effective if they have a full appreciation of the interplay between the complex dynamics between housing tenure, cultural identity of the residents and the commitment to the neighbourhood. The goal of the integration process of migrants must be clearly defined as one which will produce a culturally more diverse urban society, which still has a sufficient extent of social cohesion.

Segregation patterns have spill-over effects on migrants by creating access and performance barriers in the **labour market** and **educational system**. The school

population suffers more from socio-spatial segregation than the housing population, resulting in fewer instances of children of indigenous and immigrant origin attending the same schools. In many European cities a strong trend of de-mixing in the education sector can be observed. Easily accessible neighbourhood schools with a high proportion of immigrant children are avoided by children from native families. Living in a neighbourhood with a bad reputation often has effects in the form of an overall poor educational performance. If there is no school in the deprived neighbourhood which prepares for higher education or university, then career-minded and education-conscious non-migrant parents and like-minded parents of immigrant origin are inclined to move to other parts of the city in search of better educational opportunities for their children. The neighbourhood schools keep the losers in the education system and tomorrow's socioeconomic dropouts.

There is also a strong relationship between **language proficiency** and (intergenerational) structural integration. The state of knowledge in this realm is excellently documented in the AKI Research Reviews 2 to 4 (compare Bade et al., 2006). Language proficiency does not only play a role in structural integration but also in the context of socialisation. Reduced language knowledge determines a lower degree of socialisation. There are a series of factors that influence **language acquisition** of migrants. The factors influencing language acquisition relate to the individual level (e.g., age at migration, education) and to the contextual level (e.g., living in a segregated area, geographic distance, social networks) and furthermore to conditions in the host country, the influence of the country of origin, and their interplay (Chiswick & Miller, 2001).

The labour market is an important field of structural integration. Residential segregation promotes the establishment of a flourishing local ethnic economy. Evaluating this, two mutually opposite theories have to be cited: ethnic mobility trap theory (Wiley, 1967) and **enclave economy hypothesis** (Portes & Bach, 1985; Wilson & Portes, 1980). The enclave economy hypothesis suggests that maintaining close ties with the ethnic community serves as a mobility ladder for recent immigrants and offers them an avenue for economic achievement. The ethnic mobility trap theory asserts that ethnic enclosure acts as a "mobility trap" for immigrants and hinders their success in the mainstream society. Their social interactions are limited to members of the ethnic community which prevents individuals from getting into difficulties and "going under" in the unknown city but promotes strict social control. Thus, restricted social interactions reduce social networks and therefore migrants living in this "segregation trap" may accumulate less social capital.

4.3.2 Positive effects of segregation

The new slogan of the advocates of segregation sounds very simple: "*Social integration despite segregation*" (Münch, 2006). It means that residential segregation of immigrants is a fact in all countries with immigration and will continue to exist in the future. Realistically, there are no effective instruments for the municipalities to

counter this phenomenon. Thus, voluntary ethnic segregation does not necessarily imply a deficit of integration.

The advocates of segregation can deploy economic, political, and social arguments in support of their position. In fact, segregation has economic advantages as immigrants are particularly dependent on informal support networks and those networks develop more easily on the basis of social homogeneity. Ethnic economies, which offer many immigrants a first opportunity for economic independence, need a sufficiently large spatial concentration of compatriots to have enough customers and staff in their catchment area.

The opportunity and chance for ethnic business may be an important outcome of residential segregation. Urban economies always contain ethnic economic niches; the same niche is either not always available or not always appropriate to the same ethnic groups. Ethnic clustering is imperfect; in Europe one finds only rarely a total correspondence between ethnic groups and businesses such that a certain ethnic group wholly controls a particular business. The ethnic economy and the community's own cultural and social infrastructure not only facilitates the everyday life of immigrants, but these ethnic areas are often attractive to the native population, thus constituting a place and opportunity for communication between the cultures (Rath, 2000).¹¹

Segregation also offers **political benefits**, as the spatial proximity of people in the same situation, and thus with the same interests, fosters their capacity for organisation, a crucial precondition for making themselves heard politically. Key local people can act as intermediaries vis-à-vis local government elites. Finally, the spatial concentration of immigrants facilitates the development of an infrastructure specially adapted to their needs, with a corresponding range of services.

Segregation also has **social advantages**. Immigrant neighbourhoods form bridge-heads that offer information, practical assistance, as well as social and psychological support. The ethnic community protects newcomers against isolation and generally mitigates the shock of strange surroundings. Thus safeguarded, immigrants can embark on a productive encounter with the alien society around them. Segregated neighbourhoods offer information, practical assistance, as well as social and psychological support, protect newcomers against isolation and thus provide social embed-

¹¹ Of course the evaluation of ethnic economies in empirical research is contradictory. Split labour market theories in particular describe materialist and structural factors that determine immigrants' limited options. Cultural theories play up immigrants' interest in using their cultural resources to pull themselves ahead. Social network analysis brings together elements from materialist-structural and cultural theories. The ethnic economy is not only determined by physical space and patterns of segregation but also embedded in social networks, so one must not neglect the social space of the ethnic economy in contrast to its physical location. And last but not least, the business in the enclave is usually more or less linked to the mainstream economy.

ding to the individual. Thus, they have an important social and integrative function which cannot realistically be done by institutions or structures of the receiving society.

4.3.3 Context effect

Many empirical studies concerning segregation are based on a general thesis of an existing context effect: **Living in neighbourhoods with a high proportion of migrant population leads quasi automatically to less integration and it further reduces the life chances for migrants in the host society in general.**

As a matter of fact this hypothesis can neither be completely verified nor falsified on the basis of state of the art research output. It is an empirically unanswered question if integration and spatial segregation are diametric conditions and whether segregation should be combated because of this contradiction. The question is: Does segregation interfere with the urban integration of immigrant populations?

In summing up empirical evidence between the relationship of residential environment and integration processes Schönwälder concluded:

Overall, European research offers indications rather than a body of sound and reliable evidence regarding the effects of migrant and minority socio-spatial concentration on individual opportunities and individual and collective orientations. These indications do not, altogether, support the wide-spread concerns about an alleged seclusion of migrants in segregated spaces. It is, however, too early and would also be irresponsible to give the all-clear and then not pay attention to the concentration of problems in certain districts of German cities. Particularly in schools, spatial segregation between the poor and the better-off, between natives and immigrants, creates homogeneous learning environments of disadvantaged students. Such configurations are presumably due in large part to the retreat of ethnic Germans and the better-off, rather than migrants' pursuit of their own community. Further, there is clear empirical evidence to show that an ethnically mixed residential environment has positive effects on the extent of interethnic contact in the majority population (Schönwälder 2007, p. 99–100).

In Vienna it can be proved that the frequency of face-to-face conflicts in neighbourhoods is the highest in houses with mono-ethnic concentrations of one migrant group (Kohlbacher, 2000; EUC, no year). Among the native population, the level of xenophobia in Vienna is increasing not only with the proportion of migrants but is higher in neighbourhoods with a pronounced mono-ethnic structure (Kohlbacher & Reeger, 1999).

In many urban neighbourhoods the majority of problems are linked to the presence of a dominant ethnic community (whether immigrant or not) and not to segregation itself. Thus, the **main problem on the local level may not be segregation itself but the presence of a dominant ethnic group.** A multiethnic context without any clear majority may lead to a common sense of minority status and can promote peaceful cohabitation between the migrant groups in the neighbourhood context. This may also promote social cohesion and integration in a broader sense. Thus, multiethnic struc-

tures may help to depolarize intercultural tensions though conflicts cannot be completely eliminated.

Critical is the extent of the **negative impact of segregation patterns on the social integration of migrants**. There are, however, often also ethnic and migrant groups living segregated in better-off neighbourhoods (i.e. upper and middle class EU-citizens) who don't suffer at all by segregation. This proves that it is not segregation per se that is the problem but a multitude of other determinants. Socio-spatial segregation may not automatically lead to the social exclusion of migrants from society if the stigmatisation of neighborhoods as "ghettos for aliens" is counteracted.

Ethnic neighbourhoods need to be the focus of all integration measures. Municipalities and social institutions must be present with common offers for integration within the neighbourhood. It needs to be accepted that segregation may be a problem for the whole society, not only for migrants. An overall political discussion must be started in European cities about what kind of integration and what political goals are wanted. One result may also be a clear answer to the question of whether it is acceptable to have parallel societies if certain migrant groups would want them. The discussion above leads to the following refined theses: The **negative effects** of segregation are **particularly pronounced in highly deprived and poor neighbourhoods** with a high concentration of migrants of a certain ethnic descent.

Most of the negative effects of segregation on integration deficits can be observed in neighbourhoods with mono-ethnic structures or a dominant ethnic community. Multi-ethnic structures usually help to reduce social tensions, prevent to some degree the establishment of parallel societies and may also promote social cohesion and integration in a broader sense.

5 Local housing policies for access to affordable and decent housing

5.1 Relevant political actors

Local housing policies for migrants are influenced by several actors with sometimes fundamentally diverging goals. One of these is the **City Council** and the political parties which send their representatives into the local City Council. Municipal authorities also play an important role, though the general political, economic and legislative frameworks for urban policy are made and decided at the national level. By formulating and announcing political principles, goals and guidelines on housing policy in the city, the municipality signals the importance of this dimension of urban development.

A further actor are **housing associations**, whose stock, housing market position and influence on local housing policies vary from city to city. Housing associations might decide to allocate dwellings in a certain neighbourhood exclusively to non-